

Introduced by Senator Lowenthal

February 18, 2010

An act to amend Section 17070.51 of the Education Code, relating to school finance.

LEGISLATIVE COUNSEL'S DIGEST

SB 1161, as introduced, Lowenthal. Education: school finance.

Existing law, the Leroy F. Greene School Facilities Act of 1998, provides the funding for the new construction and modernization of school facilities. A procedure is provided for school districts to apply for funding school construction or modernization pursuant to this act.

Existing law provides that if any certified eligibility or funding application containing a material inaccuracy is found to have been falsely certified by specified entities, the Office of Public School Construction is required to notify the State Allocation Board of the inaccuracy.

Existing law requires the board to prohibit a school district from self-certifying certain project information for any subsequent applications for project funding for a period of up to 5 years following the date of the finding of a material inaccuracy, or until the district's repayment of the entire amount owed the fund.

This bill would authorize the board to make the prohibition against self-certification at its discretion, and would delete the exception from the prohibition for the district's repayment. The bill would make other technical changes.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

SECTION 1. Section 17070.51 of the Education Code is amended to read:

17070.51. (a) If ~~any~~ certified eligibility or funding application ~~related~~ information *identified by the board* is found to have been falsely certified by school districts, architects or design professionals, hereinafter referred to as a material inaccuracy, the Office of Public School Construction shall notify the board.

(b) The board shall impose the following penalties if an apportionment and fund release has been made based upon information in the project application or related materials that constitutes a material inaccuracy, *pursuant to subdivision (a)*.

(1) Pursuant to a repayment schedule approved by the board of no more than five years, the school district shall repay to the board, for deposit into the 1998 State School Facilities Fund, the 2002 State School Facilities Fund, or the 2004 State School Facilities Fund, as the case may be, an amount proportionate to the additional funding received as a result of the material inaccuracy including interest at the rate paid on moneys in the Pooled Money Investment Account or at the highest rate of interest for the most recent issue of state general obligation bonds as established pursuant to the Chapter 4 (commencing with Section 16720), of Part 3 of Division 4 of Title 2 of the Government Code, whichever is greater.

(2) The board ~~shall~~ *may* prohibit the school district from self-certifying certain project information for any subsequent applications for project funding for a period of up to five years following the date of the finding of a material inaccuracy ~~or until the district's repayment of the entire amount owed under paragraph (1).~~ Although a school district that is subject to this paragraph may not self-certify, the school district shall not be prohibited from applying for state funding under this chapter. The board shall establish an alternative method for state or independent certification of compliance that shall be applicable in these cases. The process shall include, but shall not be limited to, procedures for payment by the school district of any increased costs associated with the alternative certification process.

(c) For school districts found to have provided material inaccuracies when a funding apportionment has occurred, but no

1 fund release has been made, the board shall direct its staff to reduce
2 the apportionment as necessary to reflect the actual nature of the
3 project and to disregard the inaccurate information or material,
4 and paragraph (2) of subdivision (b) shall apply.

5 (d) For those school districts found to have provided material
6 inaccuracies when no funding apportionment or fund release has
7 been made, the inaccurate information or materials shall not be
8 considered, and paragraph (2) of subdivision (b) shall apply. The
9 project may continue if the application, minus the inaccurate
10 materials, is still complete.

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